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COMMISSION

Thomas J. Scherer
Attorney at Law

2016 MAY 26 PM 2: 12

Federal Election Commission
Office of Complaints Examination and Legal Administration
Attention: Mary Beth deBeau, Paralegal
999 E Street, NW
Washington, DC 20436

OFFICE OF GENERAL
COUNSEL

In re: MUR 7056

Dear Ms. DeBeau,

In response to your letter of May 5, 2016 about the referenced Matter Under Review ("MUR"), USA Risk Intermediaries LLC ("USARI") respectfully submits that it and its affiliate companies in the USA Risk Group have never contributed to any federal election campaign or candidate, whether in-kind or otherwise. If Mr. Garry Coulter's alleged actions in November 2011, some four weeks before his contract as the sole employee of USARI was non-renewed, can be considered contributions, they were personal not corporate in nature, *ultra vires* his employment, unknown to his supervisor, Gary Osborne, and contrary to USA Risk Group's practices.

The USA Risk Group requests the opportunity and is ready to answer any questions or further concerns you may have.

Discussion

I am an attorney consulting for Spencer Capital Holdings, the ultimate corporate parent of USARI.

At all relevant times, USARI was a Florida domiciled, limited liability company engaged in reinsurance brokerage in several states including South Carolina.

From June 2006 until December 31, 2011, when his contract was non-renewed due to low production and his stated intention to take up new employment with Transgas, Mr. Coulter was USARI's sole employee. His supervisor, Mr. Gary Osborne, founder and CEO of USA Risk, was unaware of, and would not have authorized, any of the alleged actions on behalf of the Cain campaign attributed to Mr. Coulter in the complaint attached to the MUR.

Mr. Coulter undertook any effort to serve as an intermediary between Mr. Adam Victor and the Cain campaign without the knowledge or authorization of his employer, Mr. Osborne. Upon information and belief, Mr. Coulter hoped and intended to work for Transgas, which appears to be one of Mr. Victor's companies, at or about the time of his alleged actions.

Attached for your information is a copy of Mr. Osborne's December 8, 2011 letter regarding his decision to non-renew Mr. Coulter's contract. In it, Mr. Osborne refers to Mr. Coulter's statement, apparently made on December 5, 2011, of his intention to work for Transgas. Mr. Coulter's alleged activities referenced in the MUR occurred less than a month prior to this date.

Finally, USA Risk notes that the complaint attached to the MUR, in its discussion of the facts and in its counts against individuals, focuses upon Mr. Victor and the corporations he allegedly owns or controls. In particular, as the complaint explicitly states, Mr. Victor alone controlled the entities responsible for the alleged in-kind contributions.

Conclusion

Thank you for this opportunity to respond. As noted above, we stand ready to assist your review. Please direct any additional information or questions about the MUR and USARI to me.

Best regards,

DocuSigned by:
Thomas J. Scherer
10711 1011 1011 1011

Thomas J. Scherer

Cc: Mr. Jeff S. Jordan
Assistant General Counsel
Complaints Examination and Legal Administrations



VIA EMAIL & FIRST CLASS MAIL

December 8, 2011

Mr. Garry Coulter

Greenville, SC 29605

**RE: USA Risk Intermediaries, LLC
Confirmation of Non-Renewal of Contract**

Dear Garry:

As you are aware, per Section 2 of your employment agreement, the agreement expires December 31, 2011 and is not set to automatically renew. Further to our conversation on Monday and your subsequent email today, I am writing to confirm your request to non-renew this contract. Therefore, your employment and officer position with USARI will terminate on December 31, 2011.

Pursuant to Section 5(b)(iv) of the agreement, you will remain eligible for earned commissions for a period of one year following termination, so long as you comply with all restrictions in Section 9 of the agreement relating to reasonable covenants, nonpiracy and nondisclosure of confidential information. Please note that any commissions due would be net of the outstanding draw balance which is currently \$52,187.55 after the December 9th payroll and application of the most recent Transgas installment (see attached schedule). Please note that due to the non-renewal status of your employment contract, all future draw installments have been effectively discontinued.

As a reminder, nonpiracy provisions continue for a period of 3 years following termination and include solicitation or acceptance of captive management or insurance business from a client or prospect of the company that was at any time during the period prior to termination a client or prospect of company, diverting any business to a competitor of the company or any of its subsidiaries and soliciting or encouraging any officer, employee or consultant of the company or its subsidiaries to leave the employ of the Company. Pursuant to Section 9 of the agreement, we have included a list of the known clients and prospects with this letter. We would also reference Section 9 (b) of the agreement to indicate that any entity, business or individual not on the aforementioned list because of your failure to advise the Company of such contact, shall be considered a prospect for purposes of the nonpiracy section of the agreement. Please note that given that you will be employed by Transgas, we have excluded them from this list. We will continue to pay commission (netted against the draw), as per the employment agreement, and will rely on you to disclose this to Transgas.

As you do not currently have any vacation days recorded for 2011, please advise any time taken, so we may determine any remaining vacation balance due to you which will be included in your final paycheck on January 6, 2011.

You will receive separate notices with regard to COBRA benefits available to you upon termination.

P.O. BOX 306, MONTPELIER, VERMONT 05601 • 1.800.USA.RISK

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Thank you for your past service to USA Risk Group and we wish you well in your future endeavors.

Sincerely,

Enclosures